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**PACIFIC**  **TELESIS**  
Group - Washington

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March 16, 1993

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FEDERAL COMMUNICATIONS COMMISSION  
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Donna R. Searcy  
Secretary  
Federal Communications Commission  
Mail Stop 1170  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

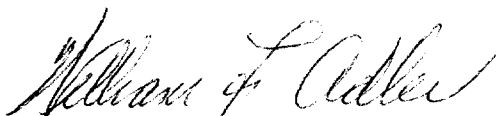
Dear Ms Searcy:

Re: CC Docket No. 92-297 (RM-7872; RM-7722; PP-22)

On behalf of Pacific Telesis Group, please find enclosed an original and six copies of its "Comments" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Enclosures

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of	)	
	)	
Rulemaking to Amend Part 1 and	)	CC Docket No. 92-297
Part 21 of the Commission's Rules	)	
to Redesignate the 27.5 - 29.5 GHz	)	RM-7872; RM-7722
Frequency Band and to Establish	)	
Rules and Policies for Local	)	
Multipoint Distribution Service;	)	
	)	
Applications for Waiver of the	)	
Commission's Common Carrier	)	
Point-to-Point Microwave Radio	)	
Service Rules;	)	
	)	
Suite 12 Group Petition for	)	PP-22
Pioneer's Preference;	)	
	)	
University of Texas - Pan	)	
American Petition for	)	
Reconsideration of Pioneer's	)	
Preference Request Denial	)	
	)	

COMMENTS OF PACIFIC TELESIS GROUP

Pacific Telesis Group, Pacific Bell and Nevada Bell,  
(the "Pacific Companies") hereby comment on selected issues  
raised in the Notice of Proposed Rulemaking ("NPRM") in the  
above-captioned proceeding.<sup>1</sup>

<sup>1</sup> In the Matters of Rulemaking to Amend Part 1 and Part 21  
of the Commission's Rules to Redesignate the 27.5 - 29.5 GHz  
Frequency Band and to Establish Rules and Policies for Local  
Multipoint Distribution Service; Applications for Waiver of the  
Commission's Common Carrier Point-to-Point Microwave Radio  
Service Rules; Suite 12 Group Petition for Pioneer's Preference;  
University of Texas - Pan American Petition for Reconsideration  
of Pioneer's Preference Request Denial, CC Docket No. 92-297;  
RM-7872; RM-7722; PP-22, Notice of Proposed Rulemaking, Order,  
Tentative Decision and Order on Reconsideration, Rel. January 8,  
1993, ("NPRM").

## I. INTRODUCTION

The Pacific Companies do not oppose the redesignation of the 28GHz band from point-to-point microwave common carrier service to a local multipoint distribution service ("LMDS") provided that all interested participants are eligible to apply for licenses under the same regulatory framework. The technology described in the NPRM appears to be innovative. However, many aspects of the technology remain unproven. For example, further experimentation is needed to understand how it would work with respect to multi-cell operation, overlay network capability, propagation constraints, inter-cell programming transport, and dense urban operation. Nevertheless, it appears to have the potential to offer a variety of communications services within a part of the spectrum that is largely unused.

## II. REGULATORY ISSUES

The Pacific Companies agree with the Commission's proposal to adopt no cross-ownership restrictions unique to 28GHz service.<sup>2</sup> As the Commission has correctly recognized, there is no assurance as to how the use of the technology will actually develop.<sup>3</sup> While at this point only single cell video entertainment programming has been tested, two-way voice and data service may also be supported by the technology. Because of the uncertainty of the development of the service,

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<sup>2</sup> NPRM, para. 33.

<sup>3</sup> Id.

cross-ownership restrictions would be counterproductive. They would stifle experimentation and development of this technology by eliminating interested parties.

The Pacific Companies note that the Commission has proposed that service providers be permitted to elect non-common carrier status or common carrier status.<sup>4</sup> The Commission has also proposed that those electing common carrier status be treated as non-dominant and subject to streamlined tariff regulation.<sup>5</sup> The Pacific Companies support these proposals. The Pacific Companies urge the Commission to maintain its initial proposal to treat all participants in a symmetric fashion. In addition, the Pacific Companies request that in the development of the final rule the Commission review the regulatory status of licensees for different services and to regulate all participants in this market in a symmetric fashion. As the Commission has observed, video and telecommunications services are well represented in the marketplace so that no LMDS operator will have a monopoly or near-monopoly position.<sup>6</sup> Consequently, there is no need to separate service providers into different regulatory categories.

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<sup>4</sup> Id. at para. 26.

<sup>5</sup> Id.

<sup>6</sup> Id.

### III. USE OF LOTTERIES

The Commission requested comments on the use of lotteries to award licenses.<sup>7</sup> The Pacific Companies support the use of lotteries. They are an economical and efficient way in which to select licensees. However, the Pacific Companies oppose the Commission's proposal to bar licensees from transferring an LMDS license until the system has been constructed and is serving the public.<sup>8</sup> The Pacific Companies support free transferability in the aftermarket. Free transferability is the only procedure to permit economically efficient use of the spectrum that the Commission will award.

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<sup>7</sup> Id. at para. 36.

<sup>8</sup> Id. at para. 39.

IV. CONCLUSION

In conclusion, LMDS may evolve into a variety of services of benefit to consumers. The Commission should ensure that the final rule allows broad participation with all participants operating under the same regulatory framework.

Respectfully submitted,

PACIFIC TELESIS GROUP  
PACIFIC BELL  
NEVADA BELL

  
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